P P.5326/38

App. F. IX-4

1938.
(RS)

File No. 27-38

Serial Nos. 9, 12-21

Previous References
RS 11-36-220.
RS 27-38(1-8, 10, 11) RSDep 150-36.
" 84-38(2-13, 17)
Stamp. 12-29(1-2)
" 13-29(2-4)
Later References.
RS 104-39(1 & 2)

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 11

Part B for April 40.

SUBJECT.

Draft agreement for payment of the loan of Rs 1.5 Lakhs to the Apex Bank for financing the House Building Societies

WD 0573—GPB—22,500—12-9-39

6/5

L.F 6222

6666

7054/P 1

General and Revenue Secretariat

File No. 27 of 1938. [App. F. III–2

Serial No.

9

Letter No 13232 dated 9-5-39 from the Asst Cs. forwarding copies of letter from the Govt advocate on the assignment of mortgage deeds executed by the parties in favour of Govt for the loan granted by them

1) The principles re the grant of loans by Govt to Govt servants to discharge debts is further examined. The opinion of the Law Dept is found in Paras 13 15 and 21-23 of the Notes. The Govt Advocate has now raised a point whether such custody of the deeds will be sufficient security Law Dept has to be consulted again Subs

16/5/39 Secy: L-S 2) 16/5/39

3) 17.5.39

2(a) Law: Asst: Secy

17.5.39

374/Law/BAR/17.5

4) The difficulty pointed out by the Govt Advocate is a real one. In fact, the same opinion has been expressed by Additional Secretary in para 23 of the notes in C.S. File 27-38 placed below. The suggestion of taking a deposit of the mortgage deed was made as

(x) please below

NOTE—Contn. Sheet.

with 3862

a measure of some caution, and that in the absence of the original deeds, the Bank would not receive repayment of the loan and keep mortgagor in the dark.

BKR 18/5

Asst Secy)

5) I have already stated in the file below that the deposit of the mortgage deeds with the Govt does not operate as a security. As observed by the Registrar, Govt in granting the loan relies on the general assets of the Bank. The inconveniences of assignment of the mortgage bonds has been pointed out by the Registrar & the Bank. The deposit of the bonds was only suggested as a via medium and as ensuring some amount of safety though not fully. It is expected that the Bank would not resist payment in the absence of the bond & keep Govt in the dark. Neither will a mortgagor pay without getting back the bond.

18/5/39

To be strictly regular & fully secured, an assignment is necessary

BKR 18.5

Asst Secy Rly Settl (WC)

19.5.39

GEN. & REVENUE SECRETARIAT. ... DEPARTMENT BRANCH.

Serial No.

6) For orders.

Sec'y: L.S.G.

19-5-39

7) May be sent unofficially to Govt advocate

19.5.39

8) Forwarded, unofficially, with compliments, Govt advocate for remarks.

By order

Hiranyan Rajan

for Secy, L.S.G. Dept.

25/5

U.O.No.B. 322 of 39

25.5.39.

No. 348/38-39

dt 28-5-39

No. DO. 110 38-39

dt 29.6.39

Returned with compliments.

(1) The money to be borrowed from the Government the Bank is intended to be utilised to advance it to House Building Co-operative Societies, who in turn will lend it to the individual members. The security that will ultimately safeguard the amount will be the properties to be mortgaged by ~~the~~ individuals who may borrow from the Bank or the House Building Societies. No doubt, General assets of the Bank and Societies will also be additional securities. Apart from the question of their adequacy, they can be realised by resorting to extreme measures which it is everybody's intention should be avoided, if it could be helped. Therefore, realisable security

NOTE—Contn. Sheet.

E

File No. of 193 .

General and Revenue Secretariat.

Serial No.

security for all practical purposes is that which will be mortgaged by individual house-builders to whom ultimately the amount will go. Therefore, - it is but just that that amount should be secured by the liability of person and property of those borrowers and it is equally just and proper that - repayments by them should go not towards the general assets of the House-building Societies or the Bank but to the Government from whom the money came. Having all this in mind, deposit of title deeds - was suggested to be made at the same time waiving assignment in favour of Government.

(2) Kind reference is invited to my letters to the Registrar of Co-operative Societies, Nos. 774 and 828 dated the 4th and 29th April 1939 respectively wherein I have tried to show that mere deposit of title deeds will not safeguard the amount due to - Government. There being objection to assignment on grounds of expenditure and complication, I think making the Government also a joint (1) mortgagee with a term embodied in the Bonds to the effect that a valid discharge by repayment can be earnt by (2) payment only to any of the Government Treasuries or to the credit of the Government either in the Imperial Bank or in the Bank of Mysore, will, while meeting the objections on the score of expenditure and complications at the same time effectively safeguards public money.

(3) In the Bond the Bank will execute in favour of the Government for the money to be advanced, a term to the effect that it will agree to make the Government a co-mortgagee along with it in the -

Bonds

6646/D

5

27

30.3.39

Bonds which its debtors will execute in its favour enjoining on them the duty of making repayment to the Government only may be incorporated. The - Societies will, in their turn, make similar arrangements. To use the expressions somewhat loosely, in the scheme of financing the construction of - houses, Government will be the capitalistic partner and the Bank the working partner whose business will be to utilise the funds supplied by the former in the best possible manner at the same time making adequate provision for safeguarding the financier's interest.

(k) After revolving in mind many alternatives, I have ventured to make the above suggestion tentatively, so that it may serve as a basis for further discussion and consideration in all its bearings.

Mark Nicholson
Government Advocate.

H/27.6.39.

GENERAL SECRETARIAT
28 JUNE 1939

28/6. 10) The remarks of the Law Secretariat may be obtained on the suggestions of the Govt Advocate.

GENERAL SECRETARIAT
30 JUNE 1939
67

29/6. 11) Ag: Secy Law 30/6. 12) Law Secretary 3/7/

SECY LAW DEPT.
313
13 JULY 1939

Disbursement of loan sanctioned to the Apex Bank.

6646/D

General and Revenue Secretariat | File No. 27 of 1938. | [App. F. III-2

Serial No.

13) The suggestions of the G.A. are suitable. The Registrar may be asked if the Bank will agree

Genl Sec) 13/7 14/7

GENERAL SECRETARY 14 JULY 1939 3648

14) Please send a copy of the G.A's note to the Registrar & request him to ascertain whether the Apex Bank will agree to the suggestions contained therein & also to furnish his views, if any, in the matter

14/7

TYPING SECTION 1 JULY 1939 GEN. & REV. SECTT.

15) Def Secy for approval

17/7/39

16) Issue

19/7

12. Issued No. D. 672. dt. 20-7-39. To the Registrar & Co

Secy to Govt 19/7

GEN. & REV. SECTT 8 AUG. 1939 AGR. & FOREST BRANCH.

13 Letter No 1978 dated 16-8-39 from the Registrar of Co-operative Societies stating that the question of Govt being a joint mortgagee along with the Bank does not arise in view of the concessions granted in Govt order dated 24/2/39 and requesting that the conditions specified in the Govt Notification may be waived

17) It is submitted that the removal of the

NOTE—Contn. Sheet.

Securities for the loan to the Apex Bank for financing H.B. Societies

6 Gleb 5588

27

File No. of 193

General and Revenue Secretariat.

Serial No.

restriction of utilising the amount borrowed from Govt only to advance the H.B. Societies to enable the Bank to just tide over the financial crisis that may happen to it at any time. This Concession did not mean that Govt should not ask for any substantial security for the amount lent to the Bank. Govt have however allowed the Bank a cash credit of Rs 5 lakhs at 4½ per cent to be drawn by them whenever necessary. It is for consideration whether the conditions laid down in the U.O note of the Govt Advocate should be waived. Subs for order

Flag i

28/8/39 for reasons mentioned by the Govt Advocate in his letter to the Registrar, it is better to insist on the Bank to agree to the conditions suggested in para (3) of his opinion by the Govt Advocate.

26/8/39

Genl: Secy

19/ In G.O dated 24-2-39, the

GENERAL SECRT
28 AUG. 1939
15-26

Q

Serial No.

restriction originally imposed that the amount should be utilised only for financing House-building societies has been removed. In view of this, the contention of the Registrar as contained in his letter dated 16.8.39 would fall so far as the portion of the amount utilised for purposes other than for financing the H.B societies - Please ascertain what objection there could be to accept the suggestion of the Govt Advocate in regard to amount actually made available out of the loan to H.B societies -

30/8

30/8

29

Off hours for appl

30/8/39

21 JSSrie

31/8/39

14. Issued No. Aff. 801 Dt. 2.9.39. To the Registrar Co-op Societies Enquires what objection there could be to accept the suggestion of the Govt. Advocate in the matter. Letter No 2869 Dated 8/9/39 from the Registrar Co-op

SECTION

GEN. & REV. SECTT. 8 SEP. 1939 SECRET & ARCH.

NOTE—Contn. Sheet.

File No. 27 of 193 | General and Revenue Secretariat.

Serial No.

Stating that the suggestion of the Govt advocate provides that half the concession of the stamp duty is not deprived of to the members by the inclusion of Govt (as a new member) as a Comortgagee in the bond

Submitted for orders with reference to Para 1 above

23) The Registrar has no objection to adopt the suggestion of the Govt Advocate He requests that the concession re: the stamp duty etc may be continued even though Govt becomes a party as a co-mortgagee.

Govt Secy

24) Has the Apex Bank been consulted in regard to the enquiry made by this office; if not, the Registrar may be asked to do so & ascertain its views -

25) Draft sent for orders

26) Issued

Letter No 1410 dated 28/9/39 to the Registrar requesting him to consult the Apex Bank in the matter

GENERAL SECRETARY 19 SEP. 1939

TYPIST GEN & REV SECT

GEN. & REV. SECTT. - 9 OCT. 1939 & FOREST BRANCH.

1017 J1941

General and Revenue Secretariat. | File No. 27 of 1939 | App. F. III-2

Serial No.

Letter No 4702 dated 28-10-39 from the Registrar forwarding a copy of letter dated 17-10-39 from the Apex Bank and stating that he agrees with the views of the Bank

2) The Bank point out, in para 2 of their letter several difficulties in accepting the suggestion that Govt. should ask the remittance of money direct to Govt. and the inclusion of Govt as a Co-mortgagee. The Registrar agrees with the views of the Bank. Submitted for orders

Sd 1/11/39

3) The Secretary Apex Bank states that a sum of Rs 2 lakhs has already been disbursed and the present grant of Rs 1.5 lakhs will be utilised to re-imburse that sum. It is clear that no fresh loan advances will be made out of this Rs 1.5 lakhs.

4) As pointed out by the Secretary in his letter there are practical difficulties in adjusting the amount recovered from the loan-holders, if the money is remitted direct to the Treasury. The Registrar agrees with this. Only a careful watch has to be kept over these recoveries. and

NOTE–Contn. Sheet.

1741

File No. of 19 | General and Revenue Secretariat.

Serial No.

5) Where practical difficulties may be pointed out to the Govt. Advocate and his further opinion and suggestions may be obtained

Genl. Secy 1/11/39

3) YS - W.O.

No no. 91/29 39-40 dt 6-11-39 2/11 2/11/39

4) forwarded unofficially with compliments to the Government Advocate for further opinion & suggestions.

B.O.:
Hemanthan Raj
Dy Secy
4.11.39
4/11

GENERAL SECRETARY
2 NOV. 1939

Urgent

Wim CS 17-39-40 (Elec)
CS 34-33 (3-43)
CS 24/150-39-40

F. No. 393/39-40
dt 6.11.39

No. W.O. 30/39-40
dt 13.11.39

3)
Returned with compliments.

1) The difficulties pointed out by the Bank are two: (a) that the direction to pay the amount to the Imperial Bank or the Bank of Mysore or to the Government Treasuries will give an occasion to the debtors to refuse payment when demanded by the Bank, and - (b) the difficulty in the allocation of the amount - amongst the various bodies concerned, viz., the Government, the Apex Bank and the House Building Society. So far as the former point is concerned, I do not see how a direction to the debtor to pay the amount to the Treasuries or the other Banks will give him " a handle ..... to refuse payment to the Societies when demanded".

Serial No.

demanded". It is, I believe, a more a question of firmness on the part of the creditor-societies to - insist upon the payment.

2), Regarding the second point raised by the Apex Bank, the difficulty of the allocation of the amounts paid by the individual borrowers, at the most, it is I believe, merely a question of accountancy. Besides, the complication may not be really so great as it - appears at first sight. Whatever is payable by the Society to the Apex Bank is certainly payable by the latter to the Government. It may be that the Bank charges a slightly higher rate to the society than that at which it borrowed from the Government, but if the entire amount payable by the Society to the - Bank is paid direct to the ~~Xxxxxxx~~ Treasury, then it means that so far as the Society is concerned, it - will get a good quittance and so far as the Bank is concerned, it will have lessened its aggregate liability to the Government to a larger extent than it would have been if the allocation had been made between the two. In effect, the Government gets back not merely what it advanced through the Bank for - housebuilding, but a little more out of that which the Bank had utilised for its general purpose. This was, I gather, the intention of the Government when the direction to deposit the title-deeds was made, vide: para 23 in the notes in ~~Xxxx~~ C.S. File No. 27 of 1938. There must necessarily be an accounting between the Society and the individual Member and - between the Society and the Bank, neither of which - can be avoided in any case. This direction does - not

Ref A

NOTE-Contn. Sheet.

Loan to the A.f.e.x Bank

1741

File No: of 19 . | General and Revenue Secretariat.

Serial No.

not throw extra work, and at thesame time it will give full effect to the order of the Government which says that "sufficient safeguards should be provided to prevent losses or risk of loss to Government on any account".

2) Regarding the question of waiver of stamp duty etc., that is a matter for the consideration of - Government.

Mordecai Ghani
Government Advocate.

H/11.11.39.

GENERAL SECT
13 NOV. 1939

GEN. & R
AGRL. & FOREST BRANCH.
OTT.
1939

3) It is for orders whether the opinion of the Govt advocate expressed in Para 1-2 of his U.O note may be communicated to the Registrar of Cs. with the concurrence of the Law Dept & the Financial Secretary has to be consulted in the matter of waiving the stamp duty. Thereafter

14/11/39

3) The Secy may perhaps be consulted re: the difficulties if the amount is paid direct to the Treasury as suggested by the Govt Advocate.

Encl: Secy

15/11

4) Call for further remarks of the Registrar on paras 1 & 2 of the C.A's latest note - Consult the Finl Secretary as regards waiver of Stamp Duty.

16/11

16/11

GENERAL SECRETARIAT
16 NOV. 1939
3192

1741

2010

General and Revenue Secretariat. | Old File No. 27 of 1938 | App. F. III-2

Serial No.

27

~~Off Subs to appl~~. After issue the Fl Sectt will be consulted re waiver of Stamp Duty.

17/11/39

HHb 20/11

38 Issue HHb 21/11

Letter No AF 2389 dated 24-11-39 to the Rev C.S. Calling for remarks on the Mysore Ent covenant

29 Fl Sectt for a note re waiver of Stamp duty.

HHb 28/11

Subs: Can the stamp duty cannot be waived following the precedent of the S. K. Mills [which was not exempted from payment of Stamp Duty which on the mortgage deed vide 71:9 & 2)

41) Reference is invited to the Stamp Commrs opinion at 71:P in the above case.

42) The file may, if approved, be forwarded D.O. to the Commr of Stamps for remarks.

Subs 2/12 43) The exemption is not admissible in law since Section 9 (a) of the Mysore Stamp Act providing for it contemplates class of documents and not individual ones - vide stamp Commr's note dt 25/9/29. Besides it involves loss of revenue to Govt

2/12/39

GEN. & REV. SECT. 2010 27/11 28 NOV. 1939 FINANCIAL BRANCH.

Sectt. Asst.

Pr' Fls

NOTE- Contd. on page

File No. 2010 of 19 | General and Revenue Secretariat.

Serial No.

44) This is a case in which ~~the~~ co-operative societies get half Stamp duty and half registration fee (~~illegible~~) already granted to the members of co-operative Societies becomes inoperative on account of the Govt (a non-member) being included as a party to the transaction as a co-mortgagee. In this view it differs from the precedents referred to in the previous page.

45) If advised the Stamp Govt may be consulted

U. O.

Dep. Secretary) 3.12.39

4645 Gr
6/12
6.12

46A.)

Memo: Forwarded with Compliments to the Commissioner of Stamps in Mysore for favour of remarks on the proposal.

By order,

S. Nagarajan 8.12.39
For Dep: Secy: to Govt:

7/12

Encl - original file
No. Off-file No. 2/39-40.

7/12

Returned with compliments.

47) The proposal is to have mortgage deeds executed by members of House Building Co-operative Societies in favour of such Societies and the Government. The stamp duty leviable on such deeds is regulated by Notification No.D.316-C.S. 3-31-4, dated 15/17th July 1931 printed on Page 121 of the Mysore Stamp Manual. Remission of half the stamp duty is available to instruments executed by a "member of - any

COMMISSIONER OF STAMPS
No. 2241/39-40
Date 9.12.39
BANGALORE

Serial No.

any such Society and relating to the business of the Society". The Notification does not limit the remission of duty to documents executed by a member in favour of the Society only.

48 So long as the document relates to the business of the Society and the executor is a member of the Society, there is no restriction placed in regard to the claimants. I am, therefore, of opinion that mortgage -- deeds executed by members in favour of Societies and -- Government come within the exemption of half duty.

18-12-39
COMMISSIONER OF STAMPS.

13/12/39

Subject: re words with reference to forms 39/44 of rules.

22-12.

The opinion furnished by the Comr of Stamps differs from that expressed by the Regr of C.S. in his letter no. 2889 dated 8th Sept 1939. It seems therefore necessary to consult the Law Dept in regard to the scope of notification no. D.316-C.S, 3-31-4 dated 15/17th Jany 1931, Chapter 121 of Stamp Manual)

Dep. Secy) 25.12.39

25/12

Law Secy
M C

SECY. LAW DEPT. 4413 29 DEC. 1939 GOVT OF MYSORE

NOTE.—Contn. Sheet

Serial No.

5) Re new type of Stamps in Court. The G.O of July 1931 allows remission of half duty if the instrument is executed by a member of a C. Society & relates to the business of the Society. It will not matter if there is a Co-executee with the Society. The provision in the Registration Rules is also similar (page 81 of the Registration Manual).

6) Remission of half Stamp & Registration fee is admissible in respect of the instruments in question

C
29/1/31

7) Submitted for perusal. The file may now be sent back to the A&F Section.

Dev. Secy) 29.12.30

To
Form
30/12
30/12

The Financial (Stamps & Accounts) Branch and the Law Secretariat are of opinion that the remission of the stamp duty is admissible in this case. The receipt of the rebate of the Registration will be awaited. Submitted
refer to para 36 above

10/1/31

17/1/1940

General and Revenue Secretariat. File No 27 of 1938 App. F. III-2

Serial No.	
19	Letter No 7009 dated 26-12-39 from the Registrar forwarding copy of letter from the Advocate-General and requesting that a meeting with the Legal members may be arranged in the matter Sb Extract of orders on the P.U.D. Subs for perusal. It is for consideration whether 4th January 3 P.M may be fixed for the meeting 2nd member) Subs Jr. Asst 27/12/39 S/ On the 4th January the members Kanwal Nain is the meeting of the P.U.D Committee on the 5th Proximo. This meeting may perhaps be held on Saturday the 6th January 1940 at 3-30 P.M Subs P.S.R. 29-12-39 " " 43 Subs K.L.A 30/12 " J. Asst 30/12 " H.V 30/12 S/ Offr Subs Subs H.V 30/12 for Some draft submitted by Asst Secy. Subs K.L.A 30/12
20	Letter No 8270 dated 2-1-40 to the Registrar intimating that the meeting has been fixed to come off at 3-30 P.M on Saturday the 6th January/40 6/ The Financial (Stamps & Registration) Secretary and the Law Secretary are of opinion that the remission of half the stamp duty and registration charges is admissible in the present case. Submitted with refce to Para 36 above Subs 2/1/40 Dy Secy Subs 3.1.40

GENERAL SECRETARY
4 JAN. 1940
4201

63 Bring up on 6th
A Cttee & Whether
Conference should be held
to the Board
NOTE- Cttee Sheet &

4/1/40 4.1.40

Serial No.

64 It is submitted that this was one of the subjects for discussion by the Registrar and the President of the Bank with the Finance Member of Council on 6/1/40 It is for orders whether any further report on the result of discussion has to be awaited from the Registrar Co-op. Soc.

11/1/40 6/1/40 Genl. Secy.

GENERAL S
12 JAN. 1940
4419

65 It was decided that ~~mortgagee deed~~ first need not be treated as a Co-mortgagee in the mortgage deeds executed by borrowers: the President of the Bank explained that loans have been issued long ago; against the loan amount sanctioned by first to be drawn now & that it was need be not any difficult but also complicated, if the first charge be made a Co-mortgagee. It was also pointed out that the other condition viz repayment by the instalments at a fixed treasury, Imperial Bank or Bank of Mysore cannot also be accepted - It was considered that the restrictions need not be insisted upon.

FINANCE G.O.No.F 1979
13 JAN 1940
BANGALORE

2 Members through H of S

12/1/40 11/1/40

4980 P.S. Loan to the Apex Bank.

General and Revenue Secretariat. C-S. File No. of 19 .25 | 40 [App. F. III-2

1979

Serial No.

67 There should be suitable provision in the agreement about the repayment of the Government loan by the Bank in the prescribed annual instalments with interest and also about the dues to Government being given priority over the other creditors.

AG 15.1.40

GR

16/1 16/1/40

A draft agreement may be got prepared for Govt. Sanction

28/1

Law Secy)

27/1

The file may be sent to the G.A. to put up the Draft Agreement.

Law Secretary 29/1

L.O. No. P 60 of 39 dated 30.1.40 30/1

The file is forwarded with compliments to the Govt. Secretariat, in favour of putting up a Draft Agreement as ordered by the 2nd Member

Law Secy (Law) 30/1/40

SECOND MEMBER OF COUNCIL 16 JAN. 1940 5684

SECY. LAW DEPT. (Law) 527 27 JAN. 1940 GOVT. OF MYSORE

No 5302/29/1 Secy. to Govt. Law Dept. dated 30.1.1940

NOTE.—Contn. Sheet.

4980

File No. of 19 .

General and Revenue Secretariat.

Serial No.

Returned with compliments.

A copy of the Bye-Laws of the Apex Bank, (revised up-to-date) may kindly be made available as it is necessary for reference.

Government Advocate.

H/6.2.40.

In compliance of his Request.

Bobbery
C.S. Branch
WBE)

3
8/2/40

Dft calling for an updated copy of the bylaws of the Bank is submitted for approval

8/2/40

Issue

8/2

Rt 4099 of 9.2.40 To the Registrar of Cs

Calls for a copy of the bye laws of the Mysore Provincial Cooperative Apex Bank Ltd. Bangalore.

Letter No 8936 dated 12-2-40 from the Registrar Cs. forwarding a copy of the bylaws of the Apex Bank

The file may now be sent to the Legislative with reference to Para 3 above

13/2/40

Leg no 199/1939-40 dt 14.2.1940

Forwarded W/C to the Govt Advocate for favour of needful. A copy of the Bye-laws is herewith sent as desired

By order
Name illegible
for Dy Secy

13/2

Govt

Wts 5 Corrections

Rt 80 7 9 | 3, 740
Dy 14. 2. 40

General and Revenue Secretariat. | File No. | of 19 | App. F. III-2

Serial No.

Returned with compliments.

A draft of the agreement to be executed by the Apex Bank is sent herewith as desired.

Government Advocate.

H/30.3.40.

GENERAL SECRETARY. 1 APR. 1940

- 1 APR. 1940 FOREST BRANCH.

GENERAL SECRETARY. 5 APR. 1940

10 APR. 1940

NOTE—Contn. Sheet.

File No. 27 of 19 38

General and Revenue Secretariat.

Serial No.

Put the draft agreement forwarded by the Govt Advocate may be sent to the Registrar for needful action.

2 Members)

4/4

11.4

11/4

11/4/40

REGIL, 1940 8827

G.H.

AF. 5728 dt 19.4.40 From The Registrar of Co-ops 21

forwards a copy of the draft agreement to be executed by the Apex Bank for taking necessary further action in the matter.

G.H. & REV. SECTT. 24 APR. 1940 AGRL. & FOREST BRANCH

GOVERNMENT OF MYSORE.

C.S. 27-38-7

No. 13.232 C. S. Gen. Dep.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 9th May, 1939.

6222

From

M. ABDUL HUKH, Esq., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

SECRETARIAT & REVENUE SECRETARIAT 6646 11 MAY 1939 GOVERNMENT OF MYSORE

To

P. H. Krishna Rao, Esq., M.A.,
Secretary to Government,
Local Self Government Department,
Bangalore.

Sir,

With reference to your letter No: 8041/C.S.21-38-7 dated 10th March 1939 in the matter of obtaining from the Government Advocate, the draft of the agreement to be executed by the Apex Bank in favour of Government in respect of the loan of 1½ lakhs of rupees sanctioned in Government Order No: D.7729-30/C.S.27-38-6 dated 24th February 1939 for financing house-building co-operative societies, I have the honour to forward herewith for the information and orders of Government an extract of letter No: 828 dated 29th April 1939 received from the Government Advocate, suggesting that, with a view to prevent any possible loss to Government, it is desirable that the mortgage deeds executed by the members of the House- Building Societies in favour of the Societies should be assigned in favour of Government. This aspect of the question has been brought to the notice of Government in my letter No: 9148/C.S. dated 29th April 1935 and No: 5834/C.S. dated 12th November 1938. It is with a view to prevent the hardship that would be caused if the assignment of the mortgage deeds is insisted upon that a recommendation was made to Government that this need not be insisted upon and Government have been pleased to accept my proposal in this direction. But as the Government Advocate desires that his views should be placed before Government and specific orders obtained, I request that the Government Advocate may be instructed to prepare the draft agreement without insisting upon the assignment

assignment of the mortgages in favour of Government.

I have the honour to be,

Sir,

Your most obedient servant,

Registrar.

(16

Extract from letter No: 828 dated 29th April 1939 from the Government Advocate, Bangalore to the Registrar of Co-operative Societies in Mysore, Bangalore.

x x x x x

I should like to advert to the point regarding the lodging of the security once again since it will not delay the matters further, as the Bank may have to pass hereafter a resolution accepting all the conditions laid down in the order of the Government which must necessarily take some time. I read the copies of letters referred to in the penultimate paragraph of your letter under reply. I do not think that this particular point has received the pointed attention of the Government who were pleased to state in their letter to you bearing No: 8041/C.S.27-38-7 dated 10th March 1939 "that sufficient safeguard should be provided to prevent loss or risk of loss to Government on any account." Suppose the title deeds of the properties secured for the loans advanced by the Bank are lodged with the Government and the debtors repay the amount to the Bank, but the Bank does not transmit it to Government and make a default in the repayment of the Government loan. I do not think any purpose will be served by the Government having the custody of these title-deeds as it is quite open to those debtors to alienate the properties even though they may not have the title deeds with them. Besides, there being no privity of contract between the Bank's debtors and the Government, I have my own apprehensions whether a demand by the borrowers, in regard to the documents, can be resisted by the Government after the loan is repaid by them to the Bank. After having perused all the correspondence mentioned in your letter under reply, I still venture to suggest that you may kindly invite the attention of the Government to the point raised by me, since their direction in their letter dated 10th March 1939 already referred to namely "that proper agreements should be taken from the Bank before permitting the amount to be drawn and sufficient safeguards should be provided to prevent loss or risk of loss to Government on any account" has to be carried out in full.

x x x x x

"Extract"

For Registrar.

'47

Extract of letter No.774 dated 4th April 1939 from the Government Advocate in Mysore, to the Registrar of Co-operative Societies in Mysore.

- - - - - -

x x x

x x x

Since it necessarily takes cometime to get me the particulars mentioned above, may I take the liberty to suggest that you may kindly consider the desirability of inviting the kind attention of the Government to the point whether mere taking over of the custody of title deeds of the properties to be mortgaged to the Bank will sufficiently safeguard their interest so as to make the concerned properties also available for the realisation of the loan under contemplation.

x x x

"Extract"

Bangalore
9th May 39.

For Registrar.

Appendix F G—1]

SUBJECT.....

.....

.....

Section 65

File No. 27-38

Serial No. 12

Diary No. of letter replied to .....

No. D 670

To The Registrar gcs

General and Revenue Secretariat

( )

the *193* .

Sir,

Adverting to your letter No 13232 dated 9-5-39 for the preparation of the draft agreement for payment of the loan of Rs 1-8 lakhs to the Aher Bank for financing the B. Ferries, I am directed to forward herewith a copy of the opinion of the Govt Advocate in the matter and to enquire whether the Aher Bank is agreeable to the proposal made therein. I am also to request to furnish your views if any in the matter.

I have etc

Date of issue..... 20/7/.....

Signed by ..... for Secretary.....

Please put up copy of Pertain matter in bracket in the Note

List of enclosures.....

Copied by.....

Examined by.....

CS 27-38-13

544

No. 1978 C. S. Conf

GOVERNMENT OF MYSORE

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Telegraphic Address
"CO-OPERT"
Bangalore.

Dated Bangalore, 16th August 1939

GEN. & REV. SECTT. * 17 AUG. 1939 * FOREST BRANCH.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

GENERAL S 17 AUG. 1939

To,

J.Appaji Gowda,Esq.,B.A.,(Hons),
Secretary to the Government of Mysore,
General Department, Bangalore.

Sir,

With reference to your letter No.D.670/C.S.17-38-12 dated 19th/20th July 1939 in the matter of the preparation of the draft agreement for payment of the loan of 1½ lakhs of rupees to the Apex Bank for financing House-Building Co-operative Societies, I have the honour to forward,herewith, a copy of letter No.1548 dated 3rd Aug: 1939 received from the Apex Bank and to state that in view of the fact that Government have been pleased in their Order No.D.7729/C.S. 27-38-6 dated 24th February 1939 to waive the restriction imposed that the amount should be utilised only for financing House-Building Societies and also the fact that loans aggregating to over two lakhs of rupees have been disbursed to House-Building Societies by the Bank, the question of Government also being made a joint-mortgagee along with the society and the Bank does not appear to arise. I therefore request that the Government may be pleased to direct that the conditions mentioned in the Government Advocate's Note dated 27th June 1939 may be waived.

Hop Q in Circle file

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.15/8.

Letter No.1548 dated 3rd August 1939 from the Secretary, The Mysore Provincial Co-operative Apex Bank,Ltd.,Bangalore City, to the Registrar of Co-operative Societies in Mysore,Bangalore.

With reference to your Docket No.1034 dated 25th July 1939 forwarding copy of Government Advocate's opinion regarding the conditions to be fulfilled in respect of the grant of the loan of Rs.1.5 lakhs by Government, I have the honour to bring to your - kind notice that in their Order No.D.7729-30/C.S.27-38-6 dated 24th February 1939, Government have been pleased to remove the - restriction that the amount of the loan should be utilised only for financing House-Building Societies, and to request therefore that the conditions proposed to be imposed as opined by the -- Government Advocate may kindly be recommended not to be insisted upon.

****

" Copy "

for Registrar.

Appendix F G—1]

SUBJECT.....

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Section 6d

File No. 27-38

Serial No. 14

Diary No. of letter replied to.....

No. A7801

To The Resident G/Cs.

General and Revenue Secretariat

( )

the *193* .

Sir

Adverting to the correspondence
ending with your letter No 1978
dated 16-8-39 re the waiving
of the condition/Conveyance in
respect of the loan to the Ajes
Bank for financing H.B. Sheths
I am directed ~~to state that~~ as contained
~~your contention~~ ~~herein~~ ~~is~~ in
~~your~~ the letter under acknowledgement
hold good so far as the portion
of the amount utilised for
purposes other than for financing
~~H.B. Section~~ loan to Sheths
to enquire what objection H
could be
~~have~~ to accept the suggestion
of the Govt advocate in
regard to the amounts
actually/to be made available

Date of issue 24/9/39

Signed by M M N W Urs

List of enclosures.....

Copied by.....

Examined by.....

Out of this loan to H.B. Wicks

32

I have etc

Les

31/8/39

J.H. Jenkins

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No 47 80/ CS 27-38-14

Dated, Bangalore, ~~1st~~ 2nd September 1939.

From

The General Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Registrar of Co-operative Societies in Mysore
Bangalore.

Sir,

Adverting to the correspondence ending with your letter No.1938 dated 16th August 1939 regarding the waiving of the conditions regarding co-mortgages in respect of the loan to the Apex Bank for financing House Building Societies I am directed to enquire what objection there could be to accept the suggestion of the Government Advocate in regard to the amounts actually to be made available out of this loan to House Building Societies.

I have the honour to be,
Sir,
Your most obedient servant,

2/9/39

General Secretary to Government.

C.S. 27-38-15

GOVERNMENT OF MYSORE

No. 2889 C S.

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Telegraphic Address "CO-OPERT" Bangalore.

Dated Bangalore, 8 September *193* 9.

GE.. & REV. SECTT 1939 FOREST BRANCH

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

GENERAL SECRETARY 9 SEP. 1939

To

J.Appaji Gowda,Esq.,B.A.,(Hons),
Secretary to the Government of Mysore,
General Department, Bangalore.

Sir,

Subject:- Loan of Rs.1.5 lakhs to the Apex Bank for financing House-Building Co-operative Societies.

With reference to your letter No.A.F.801/C.S.27-38-14 dated 2nd September 1939 on the above subject, I have the honour to state that the present loan is in fact intended to reimburse the Bank the amounts that it has already lent to House-Building Societies as per Government Order No.D.970-71/C.S.34-33-17 dated 13th August 1935. This will be clear from Government Order No.D.7729-30/C.S. 27-38-6 dated 24th February 1939. There would however be no objection to the acceptance of the suggestion made by the Government Advocate in regard to amounts that may be made available to House-Building Societies in future. As the concession of half stamp duty and half registration fees, applies only to documents executed by members of societies in their favour, and the inclusion of Government (nonmember) as a co-mortgagee in the documents may deprive the members of this concession, I request that Government may be pleased to order that this concession would apply notwithstanding the fact of Government being included as a co-mortgagee.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.7/9.

Appendix F G—1]

SUBJECT..... .....

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Section 6s

File No. 27-38

Serial No. 16.

Diary No. of letter replied to..... .....

No. AF 1460

To The Registrar C/S

Sir

Adverting to the correspondence ending with your letter No 2889 dated 8/9/39 re the loan of Rs 1.5 lakhs to the Apex Bank for financing H.B. Societies, I am directed to ~~reply~~ enquire whether the Apex Bank has been consulted re the proposal made in this office letter No A.F 801/ 6s. 27-38-14 dated 2-9-39 regarding acceptance of the suggestion of the Govt Advocate. If the Bank has not been consulted, I am to request you to ~~submit~~ ascertain their views on the question and report.

I have etc

Sd/-

for Secretary

General and Revenue Secretariat

( )

the 193 .

Date of issue 28/9/39

Signed by ..... for N. Rers-

6s

List of enclosures..... .....

Copied by .....

Examined by.....

WD 0563—GPB—30,000—6-1-39

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A 71/40 / CS 27-38-16

Dated, Bangalore, ~~26th~~ 28th Septr. 1939.

From

The General Secretary to the Government of His Highness the Maharaja of Mysore.

To -

The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

Adverting to the correspondence ending with your letter No.2889 dated 8th September 1939 regarding the loan of Rs.1.5 lakhs to the Apex Bank for financing House Building Societies, I am directed to enquire whether the Apex Bank has been consulted regarding the proposal made in this office letter No.A.F.801/C.S.27-38-14 dated 2nd September 1939 regarding the acceptance of the suggestion of the Government Advocate. If the Bank was not consulted, I am to request you to ascertain its views on the question.

I have the honour to be,
Sir,
Your most obedient servant,

General Secretary to Government.

S.

C S 27-38-17.

GOVERNMENT OF MYSORE

No. 4702 C S. E/

DEPARTMENT OF CO-OPERATION

Telegraphic Address
"CO-OPERT"
Bangalore.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore, 27th October *1939*.

28

1741

GEN. & REV. SECTT. 30 OCT. 1939 AGRI. & FOREST BRANCH.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

GENERAL SECRETA
30 OCT. 1939
CS

TO

J. Appaji Gowda, Esq., B.A. (Hons)
General Secretary to Government, Bangalore.

Sir,

With reference to your letter No.A.F.1410/C.S.27-38-16 dated 28th September 1939 enquiring whether the Apex Bank has been consulted regarding the proposal made in Government letter No.A.F.801 C.S.27-38-14 dated 2nd September 1939 and if not consulted to ascertain its views on the question, I have the honour to forward herewith a copy of letter No.4404/dated 17th October 1939 received from the Secretary of the Apex Bank in the matter and to state that I agree with the views of the Bank. I request early orders of Government so that the Bank may be enabled to draw the loan at a very early date.

I have the honor to be,
Sir,
Your most obedient servant,

Abdul Hukh

Registrar.

Letter No.4404 dated 17th October 1939 from the Secretary, the Mysore Provincial Co-operative Apex Bank,Ltd.,Bangalore City, to the Registrar of Co-operative Societies in Mysore,Bangalore.

==========

With reference to your No.4221 dated 6-10-1939 inviting Bank's opinion in the matter of acceptance by the Bank of the conditions suggested by the Government Advocate in connection with the loan of Rs.1.5 lakhs, I am desired to state as follows:-

In para 7 of Government Order No.D.9811-13/C.S.11-36-320 dated 16-5-1939, the Government were pleased to waive the condition that the amount of the loan should be utilised only to make advances to House-building Societies. As against the grant of Rs.1.5 lakhs sanctioned by Government, the Bank has already sanctioned to House-building Societies nearly 3 lakhs out of which more than 2 lakhs has been already disbursed. The present Government grant will just enable the Bank to re-imburse itself with a portion of the amount it has already advanced to House-building societies. In view of this and the exemption contained in the Government Order referred to above, I request that you may be pleased to recommend to the Government to waive the conditions proposed to the Government Advocate.

There are further certain working difficulties connected with the proposals which it is not possible to overcome. The suggestion of the Government Advocate that a valid discharge for the moneys repaid by the borrowers can be earned by making such repayments only to the Government direct, through the Treasuries or through the Imperial and Mysore Banks, will give a handle to the individual borrowers to refuse payment to the societies when demanded. It is to be noted that the instalments of the loan repaid by a borrower consist of principal and interest, and out of the interest portion, one part will have to go to the society, one part to the Apex Bank and the third part to the Government, on account of the variation in the rate of interest charged on the loan by the Government to the Bank, by the Bank to the society and by the society to the individual borrowers. Consequently the adjustment of the claim of the Government, the Bank and the society will necessarily lead

P.T.O.

lead to many complications which it is the desire of all to avoid. This is fully understood when it is remembered that the Bank does not lend the money to only one society but to a number of them, and the societies in their turn lend to several borrowers.

There is also the question of stamp duty where the Government (a non-member) is included in the Bonds as a co-mortgagee.

****

" Copy "

L.S.27/10.

for Registrar.

Appendix F G—1]

SUBJECT..... /40

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Section bs.

File No. 27-38

Serial No. 18

No. A/12389/Cue

Diary No. of letter replied to..... .....

To The Registrar C.S.

Sir

Adverting to the Correspondence ending with your letter No 6702/CS. dated 28/10/39 re permission to the Aden Bank to open the Iron Sanctioned for the ensuing H.B Scouts I am directed to forward herewith a copy of the U.O. note dated 11-11-39 of the Govt Advocate in the matter and to request you to kindly forward your further remarks thereon as per para 1 & 2 of the note.

I have etc

21/11

for Secretary

General and Revenue Secretariat

( )

the *193* .

Date of issue..... 24-11-39

Signed by..... for Sec.

Please type the copy of this D.O. note for the file

List of enclosures..... .....

Copied by.....

Examined by.....

OFFIOE OF THE SECOND MEMBER OF COUNCIL.

5078
29.12.39.

ಪೂಜ್ಯರೆ.

On the 4th January, the Maharaja visits Kunigal. There is the meeting of the F.T. Committee on the 5th forenoon. This meeting may perhaps be held on Saturday The 6th Jany 1940 at 3.30 P.M.

29.12.39

30/12

30/12

30/12

Conf 27-38-17

GOVERNMENT OF MYSORE

No. 7009 C S.

DEPARTMENT OF CO-OPERATION

Telegraphic Address
"CO-OPERT"
Bangalore.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore 26th December 1939.

GEN. & R. 30 DEC. 1939 FOREST BRANCH.

2549

REV SECTT. AGRI & FOREST BRANCH.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore;
BANGALORE.

To

GENERAL SECRETARY. 27 DEC. 1939

J.Appaji Gowda, Esq., B.A., (Hons),
General Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.A.F.2389/C.S.27-38 dated 24th November 1939 calling for further remarks on the Unofficial Note of the Government Advocate, in the matter of the grant of permission to the Apex Bank to draw the loan of Rs.1½ lakhs sanctioned to it for financing House-Building Co-operative Societies, I have the honour to forward herewith a copy of letter No.6839 dated 16th December 1939 received from the President of the Apex Bank and to request that a meeting may kindly be arranged with the Second Member of Council as requested by the President.

At this meeting, the question of retirement by rotation of the Directors of the Apex Bank (vide your letter No.A.F.2760/C.S. 19-39-5 dated 12th December 1939) may also be discussed.

OFFICE 5078

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.26/12.

Send for personal.
Ask for convenience whether 4th January at 3 P.M. may be convenient for the meeting of 2nd Member.

27/12

Issue dft approved by the Asst Secy

30/12

Letter No.6839 dated 16th December 1939 from the President, The Mysore Provincial Co-operative Apex Bank,Ltd., Bangalore, to the Registrar of Co-operative Societies in Mysore,Bangalore.

==========

I am in receipt of your D.O.No.280 dated 27th/29th November 1939, with the copy of un-official Note dated 11-11-39 of the - Government Advocate regarding the loan of Rs.1½ lakhs. The inconveniences that would be caused by insisting upon the procedure - suggested for adoption by the Government Advocate, have been explained in detail in Bank's letter No.4404 dated 17-10-39. When the Government have been pleased to grant exemption in regard to the application of the loan amount the necessity for insisting upon the procedure suggested by the Government Advocate is not clear to me.

The opinion of the Government Advocate is based upon the assumption that "the money to be borrowed from the Government by the Bank is intended to be utilised to advance it to House-Building Co-operative Societies". (vide first sentence of Government - Advocate's opinion dated 27-6-1939). That this assumption is incorrect is made clear in Bank's letter referred to above, as the Bank would have to reimburse itself the amount it has already - advanced to House-Building Societies. You were also pleased to refer to this aspect of the question in your letter No.2889 dated 8-9-39 addressed to the General Secretary to Government, but this has not been taken into consideration by the Government Advocate in his un-official note dated 11-11-39.

With regard to the other points dealt with by the Government Advocate in his un-official note, I believe he has not been able to appreciate the practical side of the difficulties explained in Bank's letter.

I therefore request you to kindly arrange for a meeting with the Second Member at an early date so that the Bank's view point may be explained to him in detail.

****

" Copy "

For Registrar.

L.S.26/12.

Appendix F G—1]

SUBJECT 43

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Section 64

File No. 27-38

Serial No. 20

Diary No. of letter replied to .....

No. 47 3220

To The Registrar of Corp. Societies in mysore, Bangalore

General and Revenue Secretariat

( )

the *193* .

Sir,

With reference to your letter no. 7009/Co dy the 26th Dec 1939 forwarding copy of letter dy 16-12-39 received from the president of the Apex Bank in the matter of drawing the loan of Rs 1½ lakhs & requesting that a meeting may be arranged with the Member of Council as desired by the President, I am directed to inform you that the meeting has been fixed to come off at 3.30 P.M on Saturday the 6th Jan 1940

I have the

30/12

for Sec'y

Date of issue 2-1-940

Signed by M. Rangaswamy

List of enclosures .....

Copied by .....

Examined by .....

mr. 30/12

WD 0563—GPB—30,000—6-1-39

Appendix F G—1]

SUBJECT.....

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Diary No. of letter replied to .....

Immediate

Section bd

File No. 27-35

Serial No.

No. AH 4099

To The Registrar bd.

Sir-

I am directed to request you to kindly forward immediately a copy of the bylaws of the Mysore Provincial Co-operative Agri Bank Ltd. Bangalore, Corrected upto date by the Same is required for reference in connection with the granting of the loan sanctioned to the Bank for financing A. B. Societies]

General and Revenue Secretariat

( )

the 193 .

Date of issue 9-2-40

Signed by M V A N Murthy

[ ] May perhaps be omitted

Hbb 8/2

I have ck ✓ HM 8/2

for secretary

List of enclosures.....

Copied by.....

Examined by.....

GOVERNMENT OF MYSORE

8936 C. S.

Telegraphic Address :
"CO-OPERT"
Bangalore.

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore, 10th February 1940.

GENERAL SECRETARY. 12 FEB. 1940

GEN. & REV. SECTT. 12 FEB. 1940 FORES BRANCH. BANGALORE.

3242

From

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore.

To

J. Appaji Gowda, Esq., B.A. (Hons)
Secretary to Government, General Department,
Bangalore.

Sir,

As desired in your letter No.A.F.4099/C.S.27-38 dated 9th February 1940, I have the honour to forward herewith a copy of the byelaws of the Mysore Provincial Co-operative Apex Bank with up-to-date amendments.

I have the honor to be,
Sir,
Your most obedient servant,

Md Abdul Hukh

Registrar.

Points for discussion with the Second Member.

---

1. Housebuilding loan of Rs.1½ lakhs and the terms of the loan.

In their order No.D.970-71 C.S. 34-33-17 dated 13-8-35 and No.D.7729-30 C.S. 27-38-6 dated 24-2-39 the Government were pleased to sanction a loan of Rs.1.5 lakhs to the Apex Bank for purposes of financing House-building Societies. Subsequently in their order No.D.9811-13/C.S. 11-36-320 dated 16-5-39 they were also pleased to waive the condition that the above said loan of Rs.1.5 lakhs should be exclusively utilised for making advances to Housebuilding Societies.

When the Bank desired to draw this loan of Rs.1.5 lakhs, it was suggested by the Government Advocate that the loan sanctioned by the Government should be secured by the liability of the individual borrowers of the several housebuilding Societies and also the properties which the individual borrowers offered as security. It was further suggested by him that a valid discharge for the payments made by the individual borrowers could be earned only by their making payment to any of the Government Treasuries or to the credit of Government in the Mysore Bank or Imperial Bank; and the bond which the Bank would execute in favour of Government should contain a condition that the Bank would agree to make the Government a Co-mortgagee along with it in the Bonds which its debtors execute in its favour enjoining on them the duty of making payment to Government only.

As against the promised Government loan of Rs.1.5 lakhs the Bank has already advanced to 11 House-

Housebuilding Societies more than Rs.3 lakhs. Owing to its meagre fluid resources the Bank wants now to re-coup a portion of the Advances already made to Housebuilding Societies in anticipation of drawing the Government loan whenever necessary. It was with this object in view that the Government were also pleased in their order referred to above to waive the original condition that the amount should be utilised only to make advances to Housebuilding Societies. Under these circumstances the suggestions of the Government Advocate may kindly be not insisted upon.

Besides, there are certain practical working difficulties which would arise if the suggestions of the Government Advocate were to be followed. If payments are to be made by individual borrowers directly to Government Treasuries, it would lead to a very complicated book-keeping and considerable confusion will result in settling the claims of the Government against the Bank, of the Bank against the several indebted Societies, and of the societies against the individual members. This becomes apparent when it is realised that the Bank lends money not to one or two societies but to many of them, and the societies in their turn lend to several individuals. It is therefore requested that the Government may be pleased not to insist on these conditions just as they have been pleased to do in the case of the Cash Credit loan of Rs.5 lakhs.

II. Affairs of indebted societies under liquidation.

The number of societies under liquidation on 30-6-39 was 26. Five more Societies were added to the list since 1-7-39. The total amount due by

by all these Societies on 30-6-39 was Rs.1,70,847-13-8 towards principal and Rs.95,779-2-3 towards interest, and the amount due on 31-12-39 was Rs.1,69,459-6-9 towards principal and Rs.99,458-7-2 towards interest. Of these 31 societies 14 are under the charge of two Official Liquidators whose services are lent by the Department; 4 each are under Departmental and Bank Inspectors and 9 are under Non-Official gentlemen. With regard to the 14 Societies in charge of two Official Liquidators, the Bank has been contributing Rs.120/- P.M. towards the pay of the two Official Liquidators and their Peons whilst their T.A. charges and Pensionery contribution is being met by Government. The total amount due by these 14 societies on 30-6-39 exceeds Rs.99,000/- towards principal and nearly Rs.64,000/- towards interest. The present Official Liquidators entered upon their duties in the middle of September 1938. The total amount recovered by them was Rs.6,479/- upto 30-6-39. For the same period the amount paid by the Bank towards their establishment charges was Rs.1173-11-0.

During the current Official year only a sum of Rs.81-2-10 was recovered and paid towards the Loan accounts of the Societies under their charge. There is however a sum of about Rs.3800/- in the several Current accounts of the Official Liquidators which has to be got adjusted by them to the Loan accounts of Societies in due course. For the 6 months ending 31-12-39 the Bank has paid Rs.720/- towards their establishment.

Most of the above societies are under liquidation for a number of years and at this rate it may take some more years before the liquidation

liquidation proceedings could be expected to terminate. The cost of liquidation would assume enoromous proportions without adequate return. In order to bring the Liquidation work of these societies to a speedy close and at the same time to effect economy in expenditure, it is requested that the Bank Inspectors may be appointed as Liquidators. It would also enable the Bank to increase its Executive Staff without much additional cost.

In this connection it may be pointed out that all along the Government have been pleased to meet the T.A. charges and Pensionery Contribution of the two Official Liquidators. It is requested that the Government may be pleased to make a lump sum grant of Rs.100/- P.M. to the Bank towards the T.A. of the Bank Inspectors if their appointment as Liquidators is approved, whilst their pay and Provident fund Contribution would be met by the Bank itself.

III. Debentures.

In their Order No.D.9811-13/C.S.11-36-320 dated 16-5-39 the Government were pleased to observe that the question of permitting the Bank to float Debentures on Government Guarantee might be considered after six months.

The Bank had secured an overdraft accommodation with the Bank of Mysore Ltd., to the extent of Rs.4,70,000/- and nearly Rs.4,50,000/- has been drawn against this. Out of the Cash credit Loan of Rs.5 lakhs sanctioned to the Bank, arrangements have been made to draw Rs.One lakh shortly. For the six months ended 31-12-39 Fixed deposits of nearly Rs.2,28,986/- matured for payment and with the sum of Rs.77,954/- which was outstanding on 1-7-39, the total

total amount of Fixed deposits which matured for payment upto 31-12-39 was Rs.3,06,940/-. Of this, Fixed deposits of Rs.67,044-15-0 were renewed, and Rs.1,52,634-14-10 were withdrawn by the Depositors. As for the balance the Depositors have not yet signified their intention about renewal or withdrawal. During the next six months Rs.2,64,200/- of Fixed Deposits would mature for payment. Thus the total demand that will have to be met by the end of June 1940 will be about Rs.3,50,000/-.

Since 1-7-39 the Bank has disbursed loans to Societies to the extent of Rs.73,405/- and loans to the extent of Rs.1,95,320/- have been sanctioned. Fresh applications for loans to the extent of about Rs.One lakh may be expected during the half year before us.

The recoveries made by the Bank for the half year ended 31-12-39 amount to Rs.50,000/- towards principal and Rs.45,000/- towards interest. The inflow of fresh deposits is not encouraging, the total amount of fresh deposits received for 6 months being Rs.41,200/-.

Considering the above facts the Bank would not be able to meet the several demands out of the recoveries. But, for the present, the Government Loan of Rs. 5 lakhs will enable the Bank to meets its obligations. But sooner or later the Bank will have to find means of raising the necessary capital on easy terms. Hence the question of Floating Debentures may kindly be considered very early.

IV. <u>Constitution of the Bank(Vide Rule 32 of the Rules under the M.C.S.Act)</u>

1. Clause 4 of Rule 32 prescribes the number of elected representatives of affiliated Societies and

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and individual members as follows:-

5 on behalf of Rural Societies
5 " " Urban Societies
2 " " Individual members.

2. Clause 7 of Rule 32 prescribes that out of the 12 elected members of the Board, 5 shall retire by rotation at each Annual General Meeting of the Bank in the following order. viz., two each from out of the representatives of Rural and Urban Societies and one from amongst the individual members. Under the same clause, those retiring by rotation as above said are not eligible for re-election for one year until the next Annual General Meeting of the Bank.

3. The expression "Retire by rotation" has given room for some controversy. It is not clear whether the non-retiring Directors should automatically continue to be Directors, without seeking election at the General Meeting If this view is to prevail, it is felt necessary that provision should be made in the matter of filling up vacancies in cases where the non-retiring Directors are not duly re-appointed as Delegates to Bank's General Meeting by their respective Societies. Under the Bye-laws of the Bank, only those who are duly appointed by the affiliated Societies as Delegates to the Bank's General Meeting, ~~that~~ could attend the Meeting and stand for election to the Board. If a Society whose Delegate is a Director of the Bank in a particular year does not like to reappoint him as delegate during the next year and if he happens to be a non-retiring Director, the position becomes quite anamolous.

4. It is also not clear whether the non-retiring Directors should necessarily seek re-election in order to continue as Directors of the Bank. Under the

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the Proviso to Rule 31 "all the elected members shall be deemed to have vacated their seats at the time of the Annual General Meeting." But this does not again harmonise with the principle of rotation which is made applicable to the Bank's Constitution under Rule 32 Clause 7.

5. For purposes of retirement by rotation, the number 5 is an inconvenient figure. While two and two Directors retire during the first and second year respectively, there remains only one to retire during the third year, both under the Rural and Urban Society groups, where the minimum number to retire each year under each group is fixed at two.

6. Amendments are therefore deemed necessary to be made to the Rule on the following lines.

(a) If the principle of rotation is to apply the number of Directors for both the Rural and Urban groups may be either reduced to 4 or increased to 6 for each group, so that 2 under each group may retire each year.

(b) The retirement may be on the basis of the period of the Directorship; those who have been Directors for the longest period to retire first. If there are however more than two such Directors the names of those retiring may be determined by lot at a Meeting of the Board prior to the General Meeting. If the number is less than two, while the oldest Director may be made to retire automatically, the name of the other retiring Director may be determined by lot at a Meeting of the Board as above stated.

(c) While the retiring Director or Directors shall not be eligible for re-election for a period of at least one year, the other non- retiring Directors may invariably

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invariably be required to seek re-election at the Annual General Meeting. This is necessary in order to provide against the contingency of a Society not willing to re-appoint its previous delegate who may happen to be a non-retiring Director.

V. Re:- Approval to Bye.law No.34(b)which was passed at the General Meeting of the Bank on 18-9-38.

The business of the Bank with its affiliated Societies is not such as to enable it to depend for its maintenance entirely on the income derived therefrom. As against the business of Rs.7,71,071/- which the Bank did with its affiliated Societies in 1930-31, the business in recent years is not encouraging as could be seen from the following figures relating to loans issued to the affiliated societies:-

1935-36	Rs.1,36,017/-
1936-37	1,80,943/-
1937-38	1,76,142/-
1938-39	1,98,437/-

With the spread of the Land Mortgage Scheme to wider and wider areas, the business of the Bank with its affiliated societies is likely to be further affected to a greater extent.

It is therefore felt necessary to develop the business of the Bank in other directions involving least amount of risk. With this in view the new bye-laws was passed in the General Meeting of 18-9-1938 giving powers to the Bank to make advances on the security of gilt-edged and other Public securities, Gold, Produce, Merchandise etc., The Bye-law could not be put into operation as it is not approved by the Registrar who has

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has referred same to the Government for their orders. It is therefore requested that Government may be pleased to accord their sanction for the same.

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VI. Exemption of Rural Co-operative Societies from payment of Stamp cost when suits are filed against defaulters.

Prior to 1931 Co-operative Societies enjoyed complete exemption from payment of Stamp duty, Registration fees and Court fees when filing disputes. This was however modified in 1931 deeming that societies were doing good business and could afford to pay the Stamp cost and accordingly half the usual stamp cost etc., was levied in respect of suits filed in the Registrar's Court. While this may not have severely affected the Urban Societies some of which are earning good profits and declaring Dividends, it has had a very adverse effect on the Rural Societies a large number of whom are working at a loss. This has been the case with almost all the Rural Societies indebted to the Apex Bank. The payment of even a small amount towards Court fee stamps is too heavy a burden to them. That the levy of half Stamp duty has prejudically affected both Societies and their debtors has been admitted even by the Chandrasekhara Aiyar Committee on Co-operation(Vide page 125 of the Report). At the Annual Co-operative Conferences it is being urged year after year that Co-operative Societies should be given complete exemption from payment of Stamp duty. The Government may therefore be pleased to exempt at least the Rural Societies indebted to the Apex Bank from the payment of Stamp Cost.

THIS INDENTURE made the .....
day of ..... 1940, executed by the Mysore
Provincial Co-operative Apex Bank, Limited., registered under the Mysore Co-Operative Societies Act, VII of 1918, hereinafter called the Mortgagor (which expression shall whenever the context so requires or demands, mean and include their successors in business, representatives and assigns) in favour of the Government of His Highness the Maharaja of Mysore, hereinafter called the Government, WITNESSETH as follows:

WHEREAS the Mortgagor has applied to the Government for a loan to the extent of Rupees One and a Half Lakhs for the purpose of financing House-Building Co-operative Societies, and WHEREAS the Government are willing to lend to the Mortgagor the said sum as per the Government Order No. D. 7729-30/C. S. 27-38-6, dated the 24th February 1939, and WHEREAS the Mortgagor agreed to abide by the conditions and terms set out in the aforesaid Government Order by executing an instrument mortgaging and charging in favour of the Government all the movables, including Bank Deposits with other Banks, Bills, Loan Bonds, Shares in other Companies etc., and Land and Buildings described in the schedule given below which they own,

NOW THIS DEED OF MORTGAGE WITNESSETH AS FOLLOWS:-

1. The Mortgagor hereby mortgages and charges to the Government of Mysore by way of security for the repayment to the Government of the amounts that may be due to the Government in respect of the aforesaid

loan

loan, the consideration for which the Mortgagor hereby -
acknowledges as having been received, all the movables
and immovables now existing in the Bank's premises and
what may hereafter be installed in the premises, all -
other movable properties that now exist and hereafter may
be found to exist and all the immovables now existing
and that hereafter may be acquired.

2- The Mortgagor hereby agrees that the security and
charge hereby created is to operate as and by way of a -
present charge on the existing movables and land, and by
way of a floating charge as well on all other movables and
immovables.

3- The Mortgagor agrees to repay the principal sum of
Rs. 1½ Lakhs (Rupees One and a Half Lakhs) with interest
at 3 per cent per annum on the annual instalments.

4- That the Government, its agents and nominees shall
be entitled at all times without notice to the Mort-
gagor but at the Mortgagor's risk and expense and if so
required as Attorney for and in the name of the Mort-
gagor, to enter any place belonging to the Mortgagor
and inspect, value, insure, superintend, dispose and/or
take particulars and charge of all or any part of the -
said goods and check any statements, accounts, reports
and information and also on any default of the Mort-
gagor in payment of any money hereby secured or the
performance of any obligation of the Mortgagor to the
Government on the occurrence of any circumstances en-
dangering the security in the opinion of the Govern-
ment, to take possession of, recover, receive, appoint
receivers

I have omitted the stipulation regarding the rate of interest to be charged to the affiliated Societies as it is now clear from the file that the amount is to recoup the amount already lent to them by the Bank.

receivers, remove and/or sell by public auction or private contract despatch for realization or otherwise dispose of or deal with all or any part of the mortgagor's properties and to enforce, realize, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without prejudice to the Government's rights and remedies or suits or otherwise, and notwithstanding there may be any pending suit or other proceedings, the mortgagors undertaking to give immediate possession to the Government on demand of the said properties and to transfer and deliver to the Government all relative bills, contracts, securities and documents and agreeing to accept the Government's accounts of sales realization as sufficient proof of amounts realized and relative expenses and to pay any shortfall or deficiency thereby shown, provided that subject to these powers, the Mortgagor may, with the previous approval in writing of the Government, sell the said properties from time to time, in due course of business but subject to such terms and conditions as may be prescribed by the Government at the time of giving the aforesaid approval.

5. That nothing herein shall prejudice any rights or remedies of the Government in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Mortgagor to the Government.

6. That it is declared that all present proper-
ties aforesaid are the property of the mortgagor at the
disposal of the mortgagor and free from any prior charge.

7. The Mortgagor hereby covenants to the Govern-
ment that the Mortgagor will, at all times, during the
continuance of the security,

(a) keep the buildings comprised hereunder in good
and substantial repair and good condition,

(b) Keep the said buildings insured against loss
or damage by fire in the sum of Rs. .....in the
joint names of the Mortgagor and the Government, in such
Insurance Company or Companies as may be approved of in
writing by the Government.

(c) as and when required by Government to produce
and renewal receipts for every premium payable thereafter.

8. The Mortgagor agrees that in default of payment
of principal and interest on the due dates or in the event
of their committing a breach of all or any of the covenants
or terms of this agreement, it shall be lawful for the
Government to recover the entire amount of the principal
that may be outstanding together with interest due thereon
from the properties mortgaged in these presents and more
particularly described in the schedule hereunder written.

9. The Mortgagors agrees that all sums payable under
this document to the Government may be treated as arrears
of Land Revenue and be recoverable as such under the pro-
visions of the Land Revenue Code.

Some agreed amount to be inserted - here.

in one lump sum Notwithstanding anything to the Contrary in these presents

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10. That the Mortgagor agrees that he shall not, during the continuance of this agreement and of the security given thereunder create any other mortgage, charge, lien or encumbrance upon or over the same or any part thereof except to the Government nor suffer any such mortgage, charge, lien or encumbrance to affect the same or any part thereof nor do or allow anything that may prejudice the security nor issue any debentures giving a charge upon property which are charged and mortgaged as security to the Government under this agreement.

11. The Mortgagor agrees that the decision of the Government on all questions that may arise out of or in connection with this document shall be treated as final and conclusive and that he shall not question it either directly or indirectly in any Court of law or otherwise.

Schedule.

... ...

IN WITNESS WHEREOF the parties, hereto have hereuntoset their hands and seals the day and year first abovewritten.

(Signatures).

Witnesses:-

1.

2.

Draft.

Muthulingam Nadesan
Government Advocate.

H/29.3.40.

Appendix F (G—1]

SUBJECT .....

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Section 65

File No. 27-38

Serial No. 21

No. AF 5728/ Secn

To The Registrar of Cs.

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193 .

Date of issue 19-4-40

Signed by MR Hussain

Sir

In contin of this office letter No AF 3270/ 65/ 27-38-20 dated 2/1/40 in the matter of the drawing of the loan of Rs 1.50 lakhs by the Aber Bank. I am directed to forward herewith a copy of the draft agreement to be executed by the Aber Bank and to request you to kindly take necessary further action in the matter

I have &c

for Secretary

19.4.40

List of enclosures.....

Copied by.....

Examined by.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A7 5728 / CS 27-38-2 *Bangalore, Dated,* 19 April 1940.

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From

The General Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

In continuation of this office letter No.A.F.3270/C.S 27-38-20 dated 2nd January 1940 in the matter of the drawing of the loan of Rs.1.50 lakhs by the Apex Bank, I am directed to forward herewith a copy of the draft agreement to be executed by the Apex Bank and to request you to kindly take necessary further action in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

Hunsan Rajah

for General Secretary to Government.

18/4/40

S.

THIS INDENTURE made the ..... day of ..... 1940, executed by the Mysore Provincial Co-operative Apex Bank, Limited, Bangalore, registered under the Mysore Co-operative Societies Act, VII of 1918, hereinafter called the Mortgagor (which expression shall whenever the context so requires or demands, mean and include their successors in business, representatives and assigns(in favour of the Government of His Highness the Maharaja of Mysore, hereinafter called the Government, WITNESSETH as follows:-

WHEREAS the Mortgagor has applied to the Government for a loan to the extent of Rupees One and a Half Lakhs, for the purpose of financing House-Building Co-operative Societies, and WHEREAS the Government are willing to lend to the Mortgagor the said sum as per the Government Order No.D.7729-30/C.S.27-38-6, dated the 24th February 1939, and WHEREAS the Mortgagor agreed to abide by the conditions and terms set out in the aforesaid Government Order by executing an instrument mortgaging and charging in favour of the Government all the movables, including Bank Deposits with other Banks, Bills, Loan Bonds, Shares in other Companies etc., and Land and Buildings described in the schedule given below which they own.

NOW THIS DEED OF MORTGAGE WITNESSETH AS FOLLOWS:-

1. The Mortgagor hereby mortgages and charges to the

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Government of Mysore by way of security for the repayment to the Government of the amounts that may be due to the Government in respect of the aforesaid x loan, the consideration for which the Mortgagor hereby acknowledges as having been received, all the movables and immovables now existing in the Bank's premises and all other movable properties that now exist and hereafter may be found to exist and all the immovables now existing and that hereafter may be acquired.

2. The Mortgagor hereby agrees that the security and charge hereby created is to operate as and by way of present charge on the existing movables and land, and by way of a floating charge as well on all other movables and immovables.

3. The Mortgagor agrees to repay the principal sum of Rs.1½ lakhs (Rupees One and Half Lakhs) with interest at .... per cent per annum in ..... annual instalments.

4. That the Government, its agents and nominees shall be entitled at all times without notice to the Mortgagor but at the Mortgagor's risk and expense and if so required as Attorney for and in the name of the Mortgagor, to enter any place belonging to the Mortgagor and inspect, value, insure, superintend, dispose and/or take particulars and charge of all or any part of the said goods and check ~~and~~ any statements, accounts, reports and information and also on any default of the Mortgagor in payment of any money hereby secured or the performance of any obligation of the Mortgagor to the Government on the occurrence of any circumstances endangering the security in the opinion of the Government, to take possession of, recover, receive, appoint receivers, remove and/or sell

by public auction or private contract despatch for realisation or otherwise dispose of or deal with all or any part of the mortgagor's properties and to enforce, realise, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without prejudice to the Government's rights and remedies or suits or otherwise, and notwithstanding there may be any pending suit or other proceedings, the mortgagors undertaking to give immediate possession to the Government on demand of the said properties and to transfer and deliver to the Government all relative bills, contracts, securities and documents and agreeing to accept the Government's accounts of sales realisation as sufficient proof of amounts realised and relative expenses and to pay any shortfall or deficiency thereby shown, provided that subject to these powers, of the Government, the Mortgagor may, with the previous approval in writing of the Government, sell the said properties from time to time, in due course of business but subject to such terms and conditions as may be prescribed by the Government at the time of giving the aforesaid approval.

5. That nothing herein shall prejudice any rights or remedies of the Government in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Mortgagor to the Government.

6. That it is declared that all present properties aforesaid are the property of the mortgagor at the disposal of the mortgagor and free from any prior charge.

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7. The Mortgagor hereby covenants to the Government that the Mortgagor will, at all times, during the continuance of the security,

(a) keep the buildings comprised hereunder in good and substantial repair and good condition,

(b) keep the said buildings insured against loss or damage by fire in the sum of Rs. in the joint names of the Mortgagor and the Government, in such Insurance Company or companies as may be approved of in writing by the Government, and

(c) as and when required by Government to produce or to deliver to them such insurance policy or policies and renewal receipts for every premium payable thereafter.

8. The Mortgagor agrees that in default of payment of principal and interest on the due dates or in the event of their committing a breach of all or any of the covenants or terms of this agreement, it shall be lawful for the Government to recover the entire amount of the principal that may be outstanding together with interest due thereon in one lump notwithstanding anything to the contrary in these presents from the properties mortgaged in these presents and more particularly described in the schedule hereunder written.

9. The Mortgagor agrees that all sums payable under this document to the Government may be treated as arrears of Land Revenue and be recoverable as such under the provisions of the Land Revenue Code.

10. ~~That~~ The Mortgagor agrees that it shall not, during the continuance of this agreement and of the security given thereunder create any other mortgage, charge, lien or encumbrance